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WILDFIRE SUPPRESSION CONTRACTING: THE EFFECT OF LOCAL BUSINESS CAPACITY DURING LARGE WILDFIRES

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The amount of suppression money spent locally influences the economic impact of large wildfires on nearby communities. Increased local spending leads to greater gains in employment during large wildfires. The amount of suppression spending awarded locally varies considerably, however, and little is known about what influences how much suppression is captured locally. This study explored how a county's contracting history and economic specialization influence local capture levels during large wildfires.

Approach

We examined local contract spending for a sample of 135 wildfires that cost the USDA Forest Service more than \$1 million in total suppression spending from 2004-2008. We analyzed how the number of federal contractors in a county prior to a wildfire and county economic specialization influenced local capture when large wildfires occurred.

Results

Contracted services were 39 percent of the total suppression spending for our sample of large wildfires, greater than the cost of state agreements and federal personnel combined. The proportion of contract spending that occurred locally varied greatly between fires, from zero to 62 percent (see Figure 1). On average, local contract capture was 12 percent.

Both the number of vendors in the county prior to the fire and local economic specialization significantly influenced how much contract money was captured locally. When large wildfires occurred, counties that had more vendors contracting with

the federal government in suppression-related services in the five years previous to the fire captured more contract spending locally than counties with fewer vendors.

In addition, counties with diversified, unspecialized economies captured more contract spending. Counties with more narrow economic specializations, including specializations in services and government, had lower rates of local capture.

Conclusion

Our research suggests that local economic structure and the number of vendors actively contracting with the federal government are important predictors of how local economies experience large wildfires.

More information

The complete report can be found in the EWP Working Paper #43, "Wildfire Suppression Contracting: The Effect of Local Business Capacity during Large Wildfires," which is available at ewp.uoregon.edu/publications/working.



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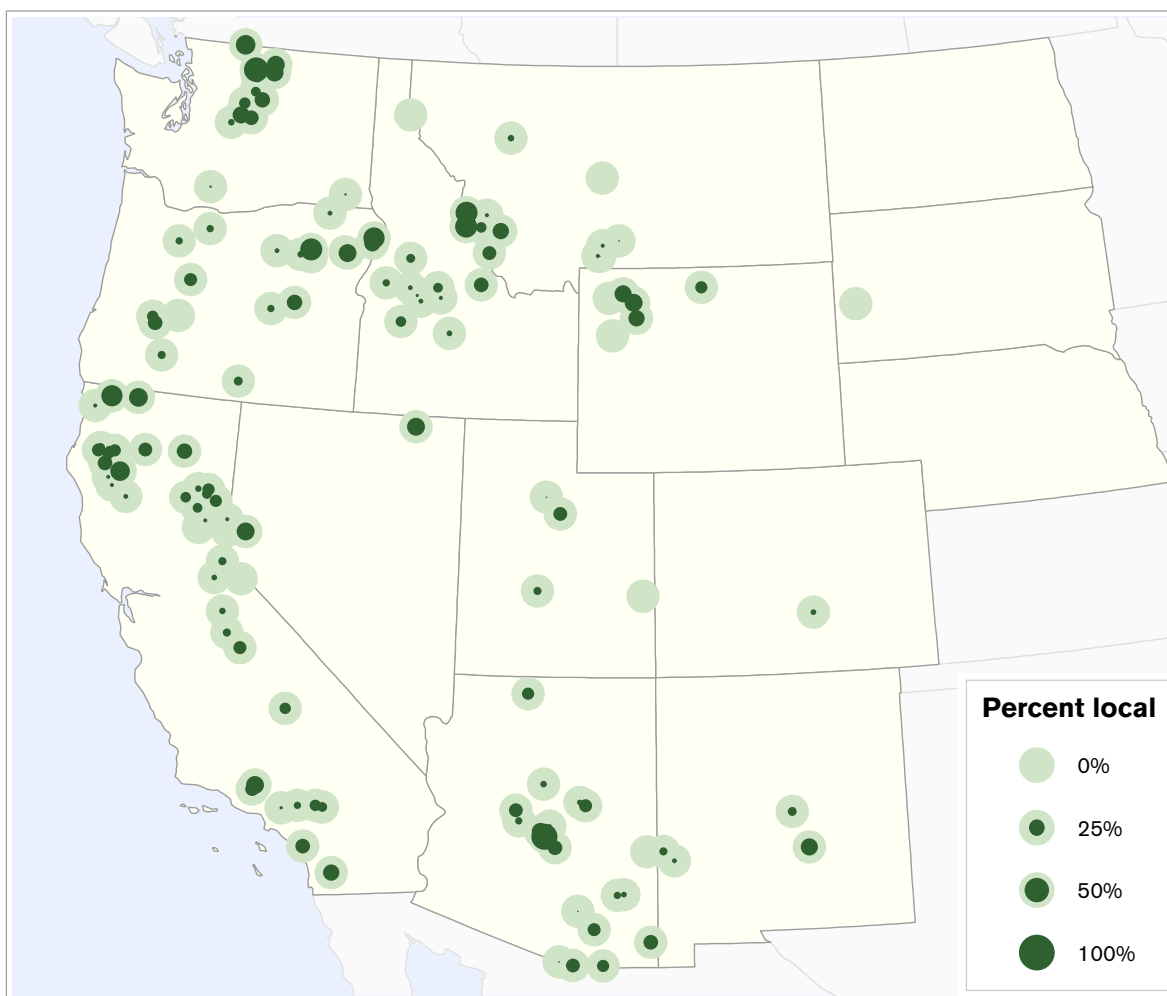
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Figure 1 Percent of contracted suppression costs to local vendors by fire

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